

Community resources

[Follow us on Twitter](#) [Check our Reddit](#) [Twitter this](#) [Digg this page](#) [Contact us on IRC](#)

courage is contagious

Viewing cable 09QUITO154, NEW COORDINATING MINISTER FOR ECONOMIC POLICY BORJA

If you are new to these pages, please read an introduction on the [structure of a cable](#) as well as how to [discuss them](#) with others. See also the [FAQs](#)

Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#09QUITO154**.

Reference ID	Created	Released	Classification	Origin
09QUITO154	2009-03-03 21:03	2011-08-30 01:44	CONFIDENTIAL	Embassy Quito

Appears in these articles:

<http://www.eluniverso.com/2011/04/24/1/1355/cable-195027.html>

VZCZCXYZ0000
RR RUEHWEB

DE RUEHQT #0154 0622103
ZNY CCCCC ZZH
R 032103Z MAR 09
FM AMEMBASSY QUITO
TO RUEHC/SECSTATE WASHDC 0110
INFO RUEHBO/AMEMBASSY BOGOTA 7991
RUEHCV/AMEMBASSY CARACAS 3414
RUEHLP/AMEMBASSY LA PAZ MAR LIMA 3058
RUEHGL/AMCONSUL GUAYAQUIL 4137

C O N F I D E N T I A L QUITO 000154

SIPDIS

E.O. 12958: DECL: 03/04/2019
TAGS: [ECON](#) [PINR](#) [ETRD](#) [PREL](#) [EC](#)
SUBJECT: NEW COORDINATING MINISTER FOR ECONOMIC POLICY BORJA

Classified by DCM Andrew Chritton. Reason: 1.4 b and d.

[1](#)1. (C) Sum...

id: 195027
date: 3/3/2009 21:03
refid: 09QUITO154
origin: Embassy Quito
classification: CONFIDENTIAL
destination:
header:
VZCZCXYZ0000
RR RUEHWEB

DE RUEHQT #0154 0622103
ZNY CCCCC ZZH
R 032103Z MAR 09
FM AMEMBASSY QUITO
TO RUEHC/SECSTATE WASHDC 0110
INFO RUEHBO/AMEMBASSY BOGOTA 7991
RUEHCV/AMEMBASSY CARACAS 3414
RUEHLP/AMEMBASSY LA PAZ MAR LIMA 3058
RUEHGL/AMCONSUL GUAYAQUIL 4137

----- header ends -----

C O N F I D E N T I A L QUITO 000154

SIPDIS

E.O. 12958: DECL: 03/04/2019
TAGS: [ECON](#) [PINR](#) [ETRD](#) [PREL](#) [EC](#)
SUBJECT: NEW COORDINATING MINISTER FOR ECONOMIC POLICY BORJA

Classified by DCM Andrew Chritton. Reason: 1.4 b and d.

¶1. (C) Summary. Diego Borja replaced Pedro Paez in the high profile position of Coordinating Minister of Economic Policy in December 2008. Paez was apparently replaced because he was not able to accomplish important administration objectives in the economic arena. Borja, an economist and politician, has switched among political parties several times, served a six month stint as Economy Minister in 2005/2006 (when he masterminded a controversial hydrocarbons law), and worked as the head of Ecuador's flower exporter association. He appears to be the /government's point person on developing a GOE adjustment program to address its macroeconomic problems brought on by falling oil prices, exports and remittances. End summary.

BIOGRAPHICAL INFORMATION

¶2. (U) Borja has been a member of several political parties. He was elected to the Constituent Assembly in September 2007, as a candidate of the alliance between the social-democratic "Izquierda Democratica," the Poder Ciudadano Movement (which he founded), and two other democratic socialist movements, "Acuerdo Democratico" and "Nuevo Acuerdo Nacional." Before forming the Poder Ciudadano Movement, Borja was a national leader of "Movimiento Nuevo Pais" (New Country Movement), where he was an adviser to Presidential candidate Freddy Ehlers, as well as alternate representative from Ecuador to the Andean Parliament.

¶3. (SBU) Borja served as Minister of Economy and Finance from December 2005 to July 7, 2006 during the Palacio administration. He was behind the 2006 Hydrocarbons Reform Law that required private oil companies to share at least 50% of extraordinary revenues with the state. In July 2006, Palacio called for the resignations of all his cabinet members; Borja offered his resignation after becoming involved in a contentious disagreement with Presidential Secretary Modesto Apolo over implementation of the hydrocarbons law. Following the 2006 state seizure of U.S. Occidental Petroleum's assets in Ecuador, Borja was appointed to a commission to oversee the transfer and operation of the fields and was instrumental in creating the administrative unit formed to operate these fields.

¶4. (C) Prior to his role as Minister, Diego Borja was the Executive Director of Ecuador's largest association of flower growers and exporters, Expoflores. He participated in and supported FTA talks with the U.S. during this time, representing the flower industry. However, he left the association on contentious terms, and Expoflores subsequently initiated a legal case stemming from some of his actions

at the association. In addition, some in the flower industry felt that he went against their interests in his later activities in the Finance Ministry (for example, with the hydrocarbons law, which they felt would cause important ATPA benefits to be terminated). One person in the flower industry has called Borja a crook, without providing any specifics.

15. (U) Borja also worked as a consultant on competitiveness and productivity for institutions such as the Andean Development Corporation (CAF), taught economics at Catholic University in Quito, and served as a visiting lecturer at other universities in Ecuador. He has a Master's degree from the Catholic University of Louvain in Belgium (the same school where Correa got his Master's degree) and an Economics degree from the Catholic University of Ecuador. He was born in Quito, Ecuador on May 1, 1964.

16. (C) Borja travelled to Washington in February 2009 along with Finance Minister Elsa Viteri to talk to the InterAmerican Development Bank, International Monetary Fund, and USG officials. According to an IMF official, Borja was willing to provide economic data to the IDB and IMF officials. In contrast, he said, Viteri was reticent and appeared intimidated by Borja. The IMF official said that Borja seemed pragmatic about doing what was necessary to provide the IMF with data about Ecuador's economic program, and obtained Correa's agreement to provide fiscal data and send Ecuadorian technicians to talk the IDB and IMF staff about Ecuador's adjustment program.

17. (C) Comment: Borja is often described as a political opportunist and pragmatist. In contrast to his predecessor, Pedro Paez, an academic who appeared to accomplish little in his tenure, the GOE may need Borja at this time, as the GOE tries to maneuver through a very difficult economic climate. Borja is not particularly close to Correa, but he is a political operator who will likely get more done than Paez. It is an open question whether he has the economic instincts to implement a sound economic program.

HODGES

=====CABLE ENDS=====